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REPLY To Wilmington Office

February 17, 2011

**ELECTRONIC FILING**

The Honorable Gregory M. Sleet  
United States District Court  
for the District of Delaware  
844 N. King Street  
Room 2124, Lockbox 19  
Wilmington, DE 19801

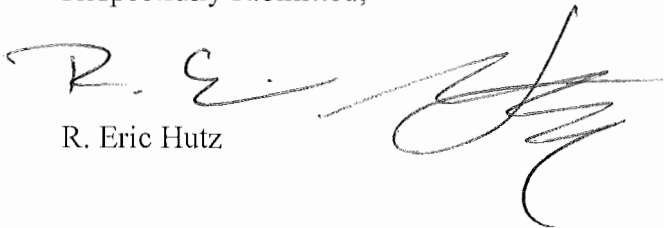
**Re: Pegasus Development Corporation et al. v. DIRECTV, Inc. et al.  
CA No.: 00-1020(GMS)**

Dear Judge Sleet:

We represent Pegasus Development Corporation and Personalized Media Communications, L.L.C. ("PMC"), the Plaintiffs in the above-referenced matter. The Court stayed that proceeding on May 14, 2003, pending the outcome of certain reexamination proceedings instituted by the United States Patent and Trademark Office ("the PTO") regarding the patents-in-suit.

The Court's February 3, 2011 Order directed the parties to file a status report. After consulting, all parties jointly submit the attached status report.

Respectfully submitted,



R. Eric Hutz

REH:vs  
Enclosure

cc: Clerk of the Court  
Counsel of Record

Asserted Claims in *Pegasus Development Corp. v. DIRECTV, Inc.*, No. 00-cv-1020  
Summary of Disposition in Reexamination  
(as of February 7, 2011)

U.S. Patent No.	Claims Asserted Prior to Reexaminations	Status
4,694,490	4	Cancelled in Reexam Control No. 90/006,800.
4,704,725	n/a	n/a
4,965,825	14	Cancelled in Reexam Control No. 90/006,536.
	15 (Plaintiffs' motion for leave to add this claim was denied without prejudice to renewal once the stay was lifted)	Confirmed in Reexam Control No. 90/006,536 but subsequently cancelled in Reexam Control No. 90/010,709.
	17	Confirmed in Reexam Control Nos. 90/006,536 and 90/010,709. Presently undergoing third reexamination in Reexam Control No. 90/011,274 (initiated October 8, 2010).
5,109,414	1, 2, 5, and 7	Confirmed in Reexam Control No. 90/006,838 and notice of intent to confirm issued in Reexam Control No. 90/011,016 (initiated May 28, 2010).
5,233,654	10 and 70	Confirmed in Reexam Control 90/006,606.
5,335,277	7, 13, 17, and 18	Board of Patent Appeals and Interferences ("BPAI") affirmed examiner's rejections in Reexam Control No. 90/006,563. Asserted claim 7 currently on appeal by PMC to the Court of Appeals for the Federal Circuit in Appeal No. 2011-1158.
	12	BPAI reversed examiner's rejections in Reexam Control No. 90/006,563.
5,887,243	14, 21, 30, and 41	Cancelled in Reexam Control No. 90/006,688.

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE**

PEGASUS DEVELOPMENT CORPORATION )  
and PERSONALIZED MEDIA )  
COMMUNICATIONS, LLC, )  
Plaintiffs-Counterdefendants, )  
v. )

C.A. No. 00-1020 (GMS)

**CERTIFICATE OF SERVICE**

DIRECTV, INC., HUGHES ELECTRONICS )  
CORPORATION, THOMSON CONSUMER )  
ELECTRONICS, INC., and PHILIPS )  
ELECTRONICS NORTH AMERICA )  
CORPORATION, )  
Defendants-Counterplaintiffs. )

The undersigned hereby certifies that on February 17, 2011, a true and correct copy of the foregoing LETTER TO THE HONORABLE GREGORY M. SLEET was caused to be served on counsel for defendants in the manner indicated:

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